

First Set of Information Requests – DTE 2-1

Question:

DTE 2-1 In each Company filing, the Company's budget allocation provides for a DOER assessment charge and a DOER report charge.

A. Please explain each individual item attributed to both the assessment and the report, the value of each individual item, and the calculation for each amount.

B. Please explain whether any expenses for the DOER report are already included in the DOER assessment.

C. Please explain whether the DOER report includes information detailing any non-RCS related programs.

Part A. Please explain each individual item attributed to both the assessment and the report, the value of each individual item, and the calculation for each amount.

Response:

RCS assessment:

The Office of Consumer Affairs (OCA) sends annually to DOER the total RCS assessment for the fiscal year. The maximum amount appears as a line item in the state budget. However, the assessed amount is the actual DOER RCS expense and takes into account unspent money from the previous year. For FY 2002, OCA's calculation of the RCS assessment is \$268,587.

How DOER apportions this amount to each program administrator may be found in the RCS Guidelines 2.3.2.1.2 Assessment Budget and Apportionment Formula.

Apportionment Formula¹

$$\% \text{ Contribution} = ((\# \text{ ARC} / \# \text{ TRC}) + (\text{AR-MMBtus} / \text{TR-MMBtus})) / 2$$

ARC = Administrator Residential Customers

TRC = Total Residential Customers

AR-MMBtus = Administrator's Residential MMBtus

TR-MMBtus = Total Residential MMBtus

¹ In order to account for the difference in price difference of natural gas and electricity, DOER multiplies electric MMBtus by a fuel value adjustment charge of 3.

Report

Although each PA is using a % of their total RCS budget for the report, the actual cost will be the total amount paid to a third party contractor. This cost will be apportioned to each PA using the methodology described in RCS Guidelines 2.3.2.1.2 (see above). Each PA may have internal evaluation expenses that are added to their portion of the third party evaluation cost.

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Part B. Please explain whether any expenses for the DOER report are already included in the DOER assessment.

Response:

The expense for the DOER report is only the money paid to the third party contractor responsible for the report. The DOER assessment is for internal DOER's RCS expenses.

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Part C. Please explain whether the DOER report includes information detailing any non-RCS related programs.

Response:

DOER's goal is to have a multi-year evaluation plan that will examine a variety of program attributes such as process, savings, and market effects. An important outcome of the RCS regulations is that customer convenience or one-stop shopping for all in-home energy efficiency and renewable energy products and services. Some companies plan to piggyback their DSM programs on RCS in order to provide one-stop shopping. How well these no-RCS programs are integrated into RCS and the savings associated with them may very well be part of the evaluation.

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